

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 H-01
/034 W

-----150211Z 073519 /75

R 141621Z APR 77

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 0950

INFO COMUSFORAZ LAJES AFB

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E.O. 11652: N/A

TAGS: EAIR, EINV, PO

SUBJ: RESOLUTION OF DISPUTES WITH AMERICAN COMPANIES

REF: (A) LISBON 2771 (NOTAL), (B) LISBON 2939

1. AT LUNCH TODAY, APRIL 14, MARION SOARES GAVE ME A STATUS REPORT ON TWA AND ITT, THE TWO COMPANY DISPUTES I HAD RAISED WITH HIM APRIL 6 (REFTEL A). HE SAID HE HOPED TO RESOLVE THE TWA ISSUE SHORTLY BUT THAT ITT WAS MORE DIFFICULT "SINCE THE COMPANY WAS INSISTING ON HAVING THE GOP SUBSIDIZE OPERATING DEFICITS, WHICH WOULD SET AN IMPOSSIBLE PRECEDENT."

2. I TOLD PRIME MINISTER I WAS NOT SATISFIED WITH RUI VILAR'S CONVERSATION WITH ME YESTERDAY (REFTEL B). SOARES SAID THAT ALLOWING TWA INTO LAJES WOULD RESULT IN LOSSES TO TAP OF OVER \$100,000, BUT OF COURSE "IF THEY HAD TO DO IT, THEY WOULD." THEY HOPED, HOWEVER, THAT USG COULD GIVE THEM SOMETHING IN EXCHANGE. I REPEATED TO SOARES WHAT I HAD TOLD VILAR: THE GOP HAD LANDING RIGHTS WITHIN THE BILATERAL WHICH IT HAD NOT YET EXPLOITED. TO RENEGOTIATE THE BILATERAL DIDN'T MAKE MUCH SENSE. IT WASN'T
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NECESSARY TO RESOLVE THE TWA PROBLEM AND IT WOULD CERTAINLY NOT RESULT IN ANY GREAT ADVANTAGES TO THE GOP.

3. AS FAR AS ITT WAS CONCERNED I TOLD SOARES I PERSONALLY RECOGNIZED THE DIFFICULTIES IF THE GOP WERE TO SUBSIDIZE OPERATING LOSSES. HOWEVER THERE WERE OTHER STEPS THE GOP COULD TAKE TO MOVE THE SITUATION FORWARD. SOARES

SAID HE WAS INCLINED TO AGREE ON RAISING ROOM RATES AT THE
SHERATON, SIGNING A CONTRACT FOR THE YELLOW PAGES, AND
ALLOWING OLIVA TO LAY OFF EMPLOYEES. I TOLD HIM THAT A
FIRM AGREEMENT BY THE GOP ON THESE POINTS WOULD IN MY
JUDGMENT GO A LONG WAY TOWARD PROVIDING THE ESSENTIAL
ELEMENTS FOR A SOLUTION.
CARLUCCI

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, DISPUTE SETTLEMENT, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON02969
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770130-0896
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770458/aaaabyav.tel
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Litigation Code IDs:
Litigation Codes:
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Message ID: 334123a5-c288-dd11-92da-001cc4696bcc
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Review Action: RELEASED, APPROVED
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Review Release Date: n/a
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TAGS: EAIR, EINV, PO, US, TWA, ITT, (SOARES, MARIO)
To: STATE
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